

#### **Single Family Rental**

6790 Sw 188th ave Beaverton, Oregon 97007

Presented by:

# The Rob Levy Team Keller Williams Realty Professionals

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This is a presentation of a fictitious property for example purposes only.

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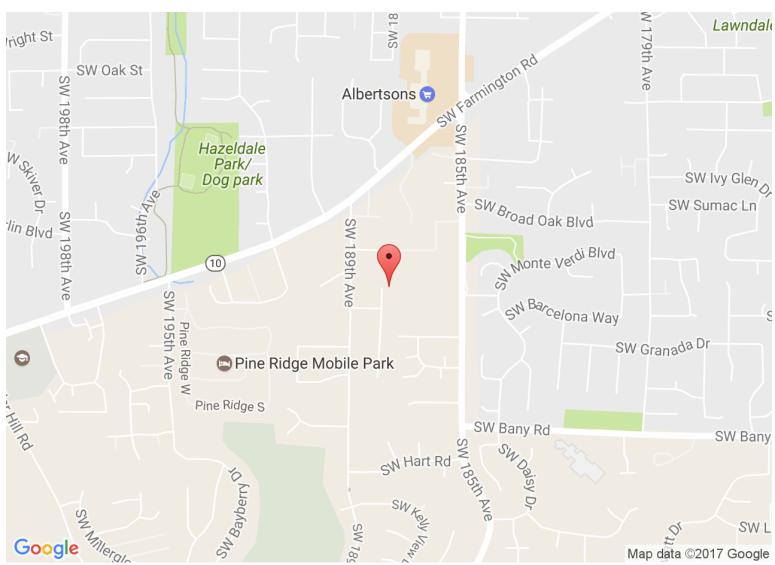
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Purchase Info	
Square Feet	1,500
Purchase Price	\$300,000
Initial Cash Invested	\$81,000

Income Analysis	Monthly	Annual
Net Operating Income	\$1,142	\$13,706
Cash Flow	\$2	\$26

Financial Metrics	
Cap Rate (Purchase Price)	4.6%
Cash on Cash Return (Year 1)	0.0%
Internal Rate of Return (Year 10)	14.3%
Sale Price (Year 10)	\$488,668





# **Purchase Analysis**

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3

Purchase Info	
Purchase Price	\$300,000
- First Mortgage	-\$225,000
- Second Mortgage	-\$0
= Downpayment	\$75,000
+ Buying Costs	\$6,000
+ Initial Improvements	\$0
= Initial Cash Invested	\$81,000
Square Feet	1,500
Cost per Square Foot	\$200
Monthly Rent per Square Foot	\$1.10

- First Mortgage -\$225,000  - Second Mortgage -\$0  = Downpayment \$75,000  + Buying Costs \$6,000  + Initial Improvements \$0  = Initial Cash Invested \$81,000  Square Feet 1,500  Cost per Square Foot \$200  Monthly Rent per Square Foot \$1.10	Purchase Price		\$300,000
= Downpayment \$75,000 + Buying Costs \$6,000 + Initial Improvements \$0 = Initial Cash Invested \$81,000 Square Feet \$1,500 Cost per Square Foot \$200 Monthly Rent per Square Foot \$1.10	- First Mortgage		-\$225,000
+ Buying Costs \$6,000 + Initial Improvements \$0 = Initial Cash Invested \$81,000 Square Feet \$1,500 Cost per Square Foot \$200 Monthly Rent per Square Foot \$1.10	- Second Mortgage		-\$0
+ Initial Improvements \$0  = Initial Cash Invested \$81,000  Square Feet 1,500  Cost per Square Foot \$200  Monthly Rent per Square Foot \$1.10	= Downpayment		\$75,000
= Initial Cash Invested \$81,000  Square Feet 1,500  Cost per Square Foot \$200  Monthly Rent per Square Foot \$1.10	+ Buying Costs		\$6,000
Square Feet 1,500 Cost per Square Foot \$200 Monthly Rent per Square Foot \$1.10	+ Initial Improvements		\$0
Cost per Square Foot \$200  Monthly Rent per Square Foot \$1.10	= Initial Cash Invested		\$81,000
Monthly Rent per Square Foot \$1.10	Square Feet		1,500
	Cost per Square Foot		\$200
Mortgages First Second	Monthly Rent per Square Foot		\$1.10
Mortgages First Second			
	Mortgages	First	Second

Mortgages	First	Second
Loan-To-Cost Ratio	75%	0%
Loan-To-Value Ratio	75%	0%
Loan Amount	\$225,000	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	4.5%	
Payment	\$1,140.04	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	15.2
Operating Expense Ratio	28.6%
Debt Coverage Ratio	1.00
Cap Rate (Purchase Price)	4.6%
Cash on Cash Return	0.0%

Assumptions	
Appreciation Rate	5.0%
Vacancy Rate	3.0%
Income Inflation Rate	3.0%
Expense Inflation Rate	3.0%
LTV for Refinance	70.0%
Selling Costs	\$18,000

Income	Monthly	Annual
Gross Rent	\$1,650	\$19,800
Vacancy Loss	-\$50	-\$594
Operating Income	\$1,600	\$19,206

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (3%)	-\$42	-\$500
Insurance (8%)	-\$125	-\$1,500
Taxes (18%)	-\$292	-\$3,500
Operating Expenses (29%)	-\$458	-\$5,500

Net Performance	Monthly	Annual
Net Operating Income	\$1,142	\$13,706
- Mortgage Payments	-\$1,140	-\$13,680
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$2	\$26

## **Buy and Hold Projection**

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Income	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Gross Rent	\$19,800	\$20,394	\$21,006	\$22,285	\$25,835	\$34,719	\$46,660
Vacancy Loss	-\$594	-\$612	-\$630	-\$669	-\$775	-\$1,042	-\$1,400
Operating Income	\$19,206	\$19,782	\$20,376	\$21,617	\$25,059	\$33,678	\$45,260
Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	-\$500	-\$515	-\$530	-\$563	-\$652	-\$877	-\$1,178
Insurance	-\$1,500	-\$1,545	-\$1,591	-\$1,688	-\$1,957	-\$2,630	-\$3,535
Taxes	-\$3,500	-\$3,605	-\$3,713	-\$3,939	-\$4,567	-\$6,137	-\$8,248
Operating Expenses	-\$5,500	-\$5,665	-\$5,835	-\$6,190	-\$7,176	-\$9,644	-\$12,961
Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$13,706	\$14,117	\$14,541	\$15,426	\$17,883	\$24,034	\$32,299
- Mortgage Payments	-\$13,680	-\$13,680	-\$13,680	-\$13,680	-\$13,680	-\$13,680	-\$13,680
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$26	\$437	\$860	\$1,746	\$4,203	\$10,353	\$18,619
Cap Rate (Purchase Price)	4.6%	4.7%	4.8%	5.1%	6.0%	8.0%	10.8%
Cap Rate (Market Value)	4.4%	4.3%	4.2%	4.0%	3.7%	3.0%	2.5%
Cash on Cash Return	0.0%	0.5%	1.1%	2.2%	5.2%	12.8%	23.0%
Return on Equity	0.0%	0.4%	0.6%	1.0%	1.4%	1.5%	1.4%
Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$315,000	\$330,750	\$347,288	\$382,884	\$488,668	\$795,989	\$1,296,583
- Loan Balance	-\$221,370	-\$217,574	-\$213,603	-\$205,105	-\$180,202	-\$110,003	-\$1
= Equity	\$93,630	\$113,176	\$133,685	\$177,779	\$308,467	\$685,987	\$1,296,581
Loan-to-Value Ratio	70.3%	65.8%	61.5%	53.6%	36.9%	13.8%	0.0%
Potential Cash-Out Refi	-\$870	\$13,951	\$29,498	\$62,914	\$161,866	\$447,190	\$907,606
Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$93,630	\$113,176	\$133,685	\$177,779	\$308,467	\$685,987	\$1,296,581
- Selling Costs	-\$18,900	-\$19,845	-\$20,837	-\$22,973	-\$29,320	-\$47,759	-\$77,795
= Proceeds After Sale	\$74,730	\$93,331	\$112,847	\$154,806	\$279,147	\$638,227	\$1,218,786
+ Cumulative Cash Flow	\$26	\$462	\$1,322	\$4,365	\$20,319	\$94,676	\$241,654
- Initial Cash Invested	-\$81,000	-\$81,000	-\$81,000	-\$81,000	-\$81,000	-\$81,000	-\$81,000
= Net Profit	-\$6,245	\$12,793	\$33,170	\$78,171	\$218,466	\$651,903	\$1,379,441
Internal Rate of Return	-7.7%	7.6%	12.1%	14.6%	14.3%	12.5%	11.4%
Return on Investment	-8%	16%	41%	97%	270%	805%	1,703%

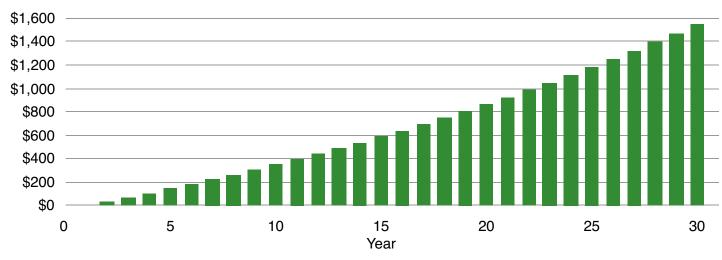
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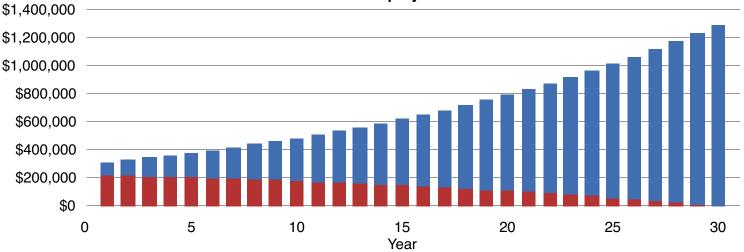
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#### **Monthly Cash Flow**







#### **Internal Rate of Return (IRR)**

